

State of Alaska FY2003 Governor's Operating Budget

Department of Corrections Correctional Industries Administration Component Budget Summary

Component: Correctional Industries Administration

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Component Mission

In accordance with Alaska Statutes the primary mission of the Correctional Industries Program is to assist in the rehabilitation of prisoners by providing realistic work experience as much like those that prevail in private industry as possible.

Component Services Provided

To manage and operate the Correctional Industries Production service enterprises.

Component Goals and Strategies

- Make a positive contribution to the Alaskan economy through cooperative efforts with labor organizations and private businesses and to minimize the negative impact of the program upon existing private enterprises and labor force in the State.
- Develop and operate agricultural, industrial, and service enterprises under the jurisdiction of the department.
- Structure the program and work environment to increase the prisoners' financial responsibility; provide as many jobs for prisoners as possible; allow prisoners to acquire or improve work habits and occupational skills; and increase the probability of opportunities for employment after release.
- Maintain high standards of quality in all products and services generated through the program.
- Manage the program so that it will be as nearly self-supporting as possible, by generating a self sufficient amount of money from the sale of products and services to pay for all or most of the expenses of the program.
- Ensure that all aspects of the Correctional Industries Program are consistent with proper penal administration and integrated with other programs and services within the department.

Key Component Issues for FY2002 – 2003

- The Correctional Industries Program primarily markets its products to state agencies and political sub-divisions.
- Changes in mandatory contract awards will require Correctional Industries to re-evaluate its current pricing, and production scheduling of existing product lines to allow for the most efficient utilization of existing production capacity.
- An analysis of state agency needs may require the introduction of new standardized products and revised manufacturing processes.
- Repeated turnover in inmate employees requires more on-the-job training to maintain quality of finished products and timely delivery to customers. As the number of additional inmate employees increases, production capability is reduced.
- Continued development of a web page catalog with additional improvements will increase the capability of Alaska Correctional Industries to provide marketing and delivery information to customers.
- Completion of contract to manufacture inmate uniforms for the new Anchorage Jail.

Major Component Accomplishments in 2001

- Approximately 255,000 annual hours of inmate employment were provided through on-the-job vocational training. This on-the-job training encouraged the development of acceptable work ethics by those employed inmates.
- Gross Sales of products and services increased to \$3,726,964 resulting in a 2.1% net increase over the previous fiscal year.
- The Hazard Analysis Critical Control Point (HACCP) self-inspection program implemented at the Mt. McKinley Meats operation was expanded and assistance was provided to private sector businesses requesting support.
- Renewal of an existing private sector contract continued the program's involvement in a private cooperative venture to employ inmates at the Lemon Creek Correctional Center.

- Procedures relating to partnerships with private sector enterprises were re-evaluated by the Correctional Industries Commission in order to identify potential methods for expanding private sector joint ventures.
- A successful introduction of private sector orders increased sales at the garment manufacturing industry at the Hiland Mountain Correctional Center (HMCC) and provided additional correctional industries employment for females incarcerated at the HMCC facility. The manufacturing of these products was previously completed in foreign countries. Joint ventures with the private sector allow Alaskan dollars to re-circulate within the state's economy.

Statutory and Regulatory Authority

- 1) Probation, Prisons and Prisoners (AS 33)
- 2) Welfare, Social Services and Institutions (AS 47)
- 3) Health and Safety (AS 18)
- 4) Criminal Law (AS 11)
- 5) Public Finance (AS 37)
- 6) State Government (AS 44)
- 7) Create Corrections (EX.OR.55)
- 8) Corrections (22 AAC)

Correctional Industries Administration

Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,205.4	1,187.4	1,202.2
72000 Travel	0.0	0.0	0.0
73000 Contractual	4.1	0.0	0.0
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,209.5	1,187.4	1,202.2
Funding Sources:			
1004 General Fund Receipts	1,176.4	1,187.4	1,202.2
1007 Inter-Agency Receipts	33.1	0.0	0.0
Funding Totals	1,209.5	1,187.4	1,202.2

Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Interagency Receipts	51015	33.1	0.0	0.0	0.0	0.0
Restricted Total		33.1	0.0	0.0	0.0	0.0
Total Estimated Revenues		33.1	0.0	0.0	0.0	0.0

Correctional Industries Administration
Proposed Changes in Levels of Service for FY2003

No service changes.

Summary of Component Budget Changes
From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	1,187.4	0.0	0.0	1,187.4
Adjustments which will continue current level of service:				
-Year 3 Labor Costs - Net Change from FY2002	14.8	0.0	0.0	14.8
FY2003 Governor	1,202.2	0.0	0.0	1,202.2

Correctional Industries Administration

Personal Services Information

Authorized Positions		Personal Services Costs		
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	18	18	Annual Salaries	903,583
Part-time	0	0	COLA	19,836
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	327,160
			<i>Less 3.87% Vacancy Factor</i>	(48,379)
			Lump Sum Premium Pay	0
Totals	18	18	Total Personal Services	1,202,200

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant II	0	0	1	0	1
Corr Ind Marketing Rep	1	0	1	0	2
Corr Indus Prod Mgr I	2	0	1	4	7
Corr Indus Prod Mgr II	0	1	1	4	6
Correctional Indus Mgr I	1	0	0	0	1
Correctional Indus Mgr II	0	0	1	0	1
Totals	4	1	5	8	18